

Special Session

Agenda Item #	8
Meeting Date	June 4, 2007
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	1st Reading Ordinance Regarding FY07 Budget Amendment No. 4
Background	<p>Since the adoption of Ordinance No. 1991-42, the City of Takoma Park has provided a local supplement to the State of Maryland Homeowner Property Tax Credit. The City supplement was initially set at 15% of the eligible homeowner's State property tax credit amount. It was raised to 30% in September 2004 and to 50% in September 2005 in order to provide greater tax relief to low –income and other homeowners who qualify for the State credit.</p> <p>As discussed with the Council on May 10, 2007, the State recently modified its definition of income and the amount of assessed valuation taken into account in determining eligibility for the credit. This has resulted in an increase in the number of individuals qualifying for the State credit and, in many cases, increasing the amount of the credit.</p> <p>The FY07 budget includes \$75,000 for the City's local supplement to the State of Maryland Homeowner Property Tax Credit. The actual cost of the program during the fiscal year was \$139,538, necessitating an amendment to the FY07 budget. One hundred and sixty-five (165) homeowners received benefits from the City.</p> <p>On May 14, 2007, the City Council approved a contract with MTF Architecture, Inc. to assist the City with identifying options for the renovation of the Council Chambers/Auditorium. As indicated in Ordinance No. 2007-24, funding for the study is not included in the FY07 budget, necessitating an appropriation of funds. The contract authorized by the City Council was in an amount not-to-exceed \$30,000. Of this amount, it is projected that \$21,000 will be expended in FY07.</p>
Policy	The Code of the City of Takoma Park requires budget amendments to be approved by a two-reading ordinance.
Fiscal Impact	The unappropriated reserve will decrease by \$85,538.
Attachments	Proposed FY07 Budget Amendment Ordinance No. 4
Recommendation	Staff recommends that the City Council accept the proposed ordinance for first reading.
Special Consideration	

Introduced by:

First Reading:
Second Reading:

**ORDINANCE NO. 2007-
FY07 BUDGET AMENDMENT NO. 4**

WHEREAS, the FY07 budget includes \$75,000 for the City's local supplement to the State Homeowner Property Tax Credit; and,

WHEREAS, the State recently modified its definition of income and the amount of assessed valuation taken into account in determining eligibility for the credit; and,

WHEREAS, said modifications resulted in more individuals qualifying for the State credit and, in many cases, increased the amount of the credit; and,

WHEREAS, the actual cost of the City's local supplement in FY07 was \$139,538, necessitating an amendment to the FY07 budget; and,

WHEREAS, on May 14, 2007, the City Council approved a contract with MTFA Architecture, Inc. in an amount not-to-exceed \$30,000 to assist the City with identifying options for the renovation of the Council Chambers/Auditorium; and,

WHEREAS, the cost of work to be performed by MFTA Architecture, Inc. during FY07 is \$21,000, necessitating an appropriation of funds in this amount.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2007 Budget shall be amended as follows:

General Fund – Transfers

1. Transfer \$64,538 from account 9000-8200, Unappropriated Reserve, to account 9000-7375, Tax Rebate Program, for the City's local supplement to the State Homeowner Property Tax Credit Program.
2. Transfer \$21,000 from account 9000-8200, Unappropriated Reserve, to account 9100-8011, Council Chambers/Auditorium Renovation, for architectural services to identify options for the renovation of the Council Chambers/Auditorium

SECTION 2. The City's Capital Improvement Program for FY07 shall be amended to reflect the cost of architectural services to identify options for the renovation of the Council Chambers/Auditorium.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this _____ day of _____ by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: